

F. Gordon Maxson
Director - Regulatory Affairs



GTE Service Corporation

1850 M Street, NW
Suite 1200
Washington, DC 20036
202 463-5291
202 463-5239 fax
gmaxson@dcoffice.gte.com

April 28, 2000

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
Washington, DC 20554

Re: Domestic Section 214 Application

Dear Ms. Salas:

Attached for filing are original and 5 copies of an Application to transfer control of the domestic Section 214 authorization held by GTE Telecom Incorporated.

The \$780.00 filing fee was paid electronically to Mellon Bank and the attached Form 159 shows the electronic audit code assigned to the transaction.

Copies of this Application are being provided as shown below. If there are any questions, please contact me by telephone or e-mail.

Very truly yours,

A handwritten signature in cursive script, appearing to read "F. Gordon Maxson".

Attachment: Application

C: ITS
Rebecca Arbogast
George Li
Liz Nightingale
Breck Blalock
Jackie Ruff
Johanna Mikes
Michelle Carey

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING
Electronic fee audit code
167552201091453

(1) LOCKBOX # 358145

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

PAGE NO. _____ OF _____

APPROVED BY OMB 3060

SPE: AL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

GTE

(4) STREET ADDRESS LINE NO. 1

1850 M Street, N.W. Suite 1200

(5) STREET ADDRESS LINE NO. 2

(6) CITY

Washington, DC

(7) STATE

(8) ZIP CODE

20036

(9) DAYTIME TELEPHONE NUMBER (include area code)

(202) 463-5291

(10) COUNTRY CODE (if not in U.S.A.)

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

(12) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY

(15) STATE

(16) ZIP CODE

(17) DAYTIME TELEPHONE NUMBER (include area code)

(18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID

(20A) PAYMENT TYPE CODE (PTC)

(21A) QUANTITY

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

FCC USE ONLY

C

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780.00

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25)

PAYER TIN

0

1

3

1

6

7

5

5

2

2

APPLICANT TIN

0

SECTION E - CERTIFICATION

(27) CERTIFICATION STATEMENT

I, _____, Certify under penalty of perjury that the foregoing and supporting information
(PRINT NAME)

are true and correct to the best of my knowledge, information and belief. SIGNATURE _____

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD

AUTHORIZED SIGNATURE

MONTH YEAR

DATE

for the service(s)/authorization(s) herein described

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
GTE CORPORATION)	
Transferor)	
)	File No.
GENUITY INC.)	
Transferee)	
)	
)	
Application for authority to)	
transfer control of the domestic)	
Section 214 authorization held)	
by GTE Telecom Incorporated)	

APPLICATION FOR TRANSFER OF CONTROL

GTE Corporation ("GTE") and Genuity Inc. ("Genuity") (collectively, "Applicants"), pursuant to Section 63.01 of the Commission's Rules, 47 C.F.R. §63.01, respectfully request authority from the Commission to transfer control of the blanket domestic Section 214 authorization held by GTE Telecom Incorporated ("Telecom") from GTE to Genuity.¹ This application describes the steps involved in this transaction.

Telecom is a common carrier providing domestic interexchange and international wholesale services. Telecom has several business components. Telecom owns and operates an interexchange fiber optic network in the Midwest and also leases national fiber optic capacity. It resells this network capacity to other carriers without exercising control

¹ The Commission adopted blanket 214 authority for all domestic interstate carriers. The Commission noted, however, that blanket authorizations do not apply to the transfer of corporate control. Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996, 14 FCC Rcd 11364, ¶ 18 (1999).

over the use of the facilities.² Telecom also holds international Section 214 authorizations.³

Telecom is currently a wholly-owned subsidiary of Contel Federal Systems, Inc., which is in turn a wholly-owned subsidiary of GTE. Pursuant to the proposed transaction, described in detail *infra*, GTE will: (1) reorganize this interest within the GTE corporate structure such that the license is assigned to a new company, renamed Telecom;⁴ and (2) transfer of control of "New" Telecom as GTE spins off Genuity as an independent corporation 90 percent owned and controlled by public shareholders through an initial public offering.⁵ Upon the conclusion of these transactions, the domestic Section 214 authorization at issue will be held by "New" Telecom and controlled by Genuity, a company held ninety percent by public shareholders and ten percent by GTE.

This application is being filed in preparation for the proposed merger between GTE and Bell Atlantic Corporation.⁶ Authority for the transfer of control described herein is requested so the domestic Section 214 authorization ultimately will be controlled by a publicly-owned company and thus not be included in the proposed GTE-Bell Atlantic merger.

² Although Telecom has provided resale of private line, point-to-point service to commercial and financial customers, principally brokerage houses and banks, Telecom will transfer these customers to one or more unaffiliated carriers before the GTE/Bell Atlantic merger closes and this service will no longer be part of Telecom's business.

³ Telecom's international service is provided pursuant to various Section 214 authorizations issued under Section 63.18 of the Commission's Rules. A similar application is being filed contemporaneously seeking consent to transfer control of the international Section 214 authorizations.

⁴ Section 63.24(a)(5) of the Commission's Rules provides for *pro forma* assignment of international Section 214 authority. 47 C.F.R. § 63.24(a)(5). This assignment of a domestic Section 214 authorization from one sister company to another could follow a similar procedure.

⁵ Details of the transaction have been submitted in CC Docket No. 98-184, and are incorporated herein by reference. See *Ex Parte* Letter of GTE and Bell Atlantic, April 3, 2000; Supplemental Filing, Jan. 27, 2000.

⁶ GTE Corporation and Bell Atlantic Corporation, Application for Consent to Transfer Control, CC Docket No. 98-184, Oct. 2, 1998 (Public Notice, Oct. 8, 1998, DA 98-2035); Supplemental Filing, Jan. 27, 2000 (Public Notice, Jan. 31, 2000, DA 00-165); Further Applications and Amendments to the Merger Application, March 1, 2, 8, and 9, 2000 (Public Notice, Mar. 17, 2000, DA 00-608).

Applicants submit the following information to notify the Commission of the first step of this transaction, which is the *pro forma* assignment within GTE:

I. THE PARTIES TO THE PRO FORMA ASSIGNMENT

A. GTE Telecom Incorporated (Assignor)

Telecom is a corporation organized and existing under the laws of the State of Delaware. It is currently wholly owned by Contel Federal Systems, Inc., a Delaware corporation, which is a wholly-owned subsidiary GTE. GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries. GTE Telecom is a non-dominant carrier.

B. GTE Interstate Communications Incorporated, Which Will Become "New" GTE Telecom Incorporated (Assignee)

GTE Interstate Communications Incorporated ("GTE Interstate"), which will become "New" GTE Telecom Incorporated (also "Telecom"), is a corporation organized and existing under the laws of the State of Delaware and wholly owned by Genuity, formerly GTE Internetworking Incorporated.

C. The *Pro Forma* Assignment

As depicted in Exhibit 1, Telecom's domestic Section 214 authorization is assigned on a *pro forma* basis from Telecom to GTE Interstate, a wholly-owned subsidiary of Genuity, which is in turn a wholly-owned subsidiary of GTE. GTE Interstate will immediately change its name to Telecom. Accordingly, after completion of this step, "New" Telecom, which will hold the interest in the domestic Section 214 authorization, would be a wholly-owned subsidiary of Genuity, which in turn is a wholly-owned subsidiary of GTE. Since this assignment is within the control of GTE, it should be considered a *pro forma* transaction in the same manner as those permitted for international Section 214 assignments under

Section 63.24(a)(5) of the Commission's Rules. This transaction does not affect GTE's ultimate control of Telecom's blanket domestic Section 214 authorization.

Applicants submit the following information in support of this Application:

II. THE PARTIES TO THE TRANSFER OF CONTROL

A. GTE Corporation (Transferor)

GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries.

B. Genuity Inc. (Transferee)

Genuity, formerly GTE Internetworking Incorporated, is a Delaware corporation wholly owned by GTE at the present time. In connection with the merger between GTE and Bell Atlantic Corporation, it is proposed that Genuity will be spun-off to the public in an initial public offering ("IPO"). A registration statement for this public offering was filed with the Securities and Exchange Commission on April 7, 2000. Upon completion of the IPO, Genuity will no longer be controlled by GTE, but instead will be owned ten percent by GTE and ninety percent by a diverse roster of public shareholders.

C. Authorization

GTE Telecom currently holds a blanket domestic Section 214 authorization as a non-dominant carrier.

D. The Transfer of Control

As depicted in Exhibit 2, GTE requests authority to transfer control of Telecom's domestic Section 214 authorization to Genuity, a company held ninety percent by public shareholders and ten percent by GTE.

III. PUBLIC INTEREST CONSIDERATIONS

Consummation of the proposed transfer of control will serve the public interest by enabling the spin-off of certain of GTE's interstate and international assets into an independently owned and controlled company. GTE and Bell Atlantic have already shown in the merger proceeding that the Genuity solution would serve the public interest. It would preserve the integrity of Genuity's business while providing incentives for the merged GTE and Bell Atlantic to attain Section 271 authority and eventually to acquire control of Genuity. For the same reasons, the public interest would be served by allowing the transfer of control of Telecom and its interest in the authorization at issue from GTE to Genuity.

IV. INFORMATION REQUIRED BY THE COMMISSION'S RULES

Applicants submit the following information for the transfer of control:

- (a) Names, addresses, and telephone numbers of GTE and Genuity are:

GTE Corporation
1255 Corporate Drive.
Irving, TX 75039
Tel: (972) 507-2105
Contact Person: Marianne Drost

Genuity Inc.
3 Van de Graaff Drive
Burlington, MA 01803
Tel: (781) 262-4303
Contact Person: Ira Parker

- (b) GTE Corporation is a corporation organized under the laws of the State of New York. Genuity Inc. is a corporation organized under the laws of the State of Delaware.

- (c) Correspondence concerning this application should be sent to:

Gail L. Polivy, Esq.
GTE Service Corporation
1850 M Street, NW, Suite 1200
Washington, DC 20036
Tel: (202) 463-5200

And in addition to:

Ondrea Dae Hidley, Esq.
Genuity, Inc.
5221 N. O'Connor Blvd.
East Tower, 14th Floor [HQL09A80]
Irving, TX 75039
Tel: (972) 791-1745

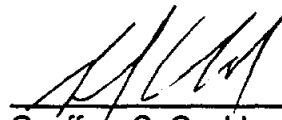
- (d) Telecom seeks to continue to offer wholesale services under its new parent corporation pursuant to blanket Section 214 authority granted to all domestic carriers.

In accordance with the provisions of Sections 1.2001-1.2003 of the Commission's Rules (47 C.F.R. § 1.2201-1.2003), the undersigned certifies that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853(a).

V. CONCLUSION

For the reasons stated above, GTE and Genuity respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this application for transfer of control of Telecom's blanket domestic Section 214 authorization from GTE to Genuity and for the related intracorporate transactions that precede it.

Respectfully submitted,



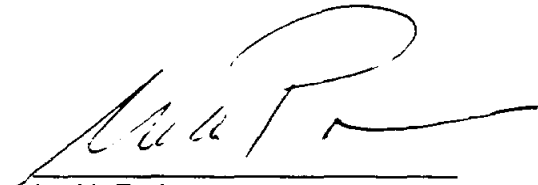
Geoffrey C. Gould
Vice President – Government &
Regulatory Affairs
GTE Corporation
1850 M Street NW, Suite 1200
Washington, DC 20036
Tel: (202) 463-5200
Fax (202) 463-5279

Dated: April 28, 2000

The next page contains the signature for Genuity Inc.

Continuation of signature page.

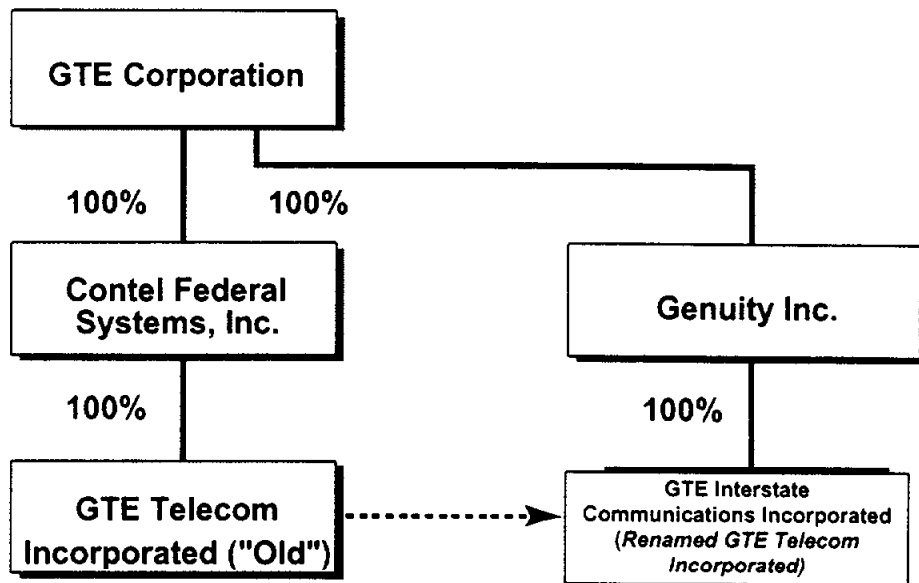
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ira H. Parker', written over a horizontal line.

Ira H. Parker
Secretary
Genuity Inc.
3 Van de Graaff Drive
Burlington, MA 01803
Tel: (781) 262-4303
Fax: (781) 262-3408

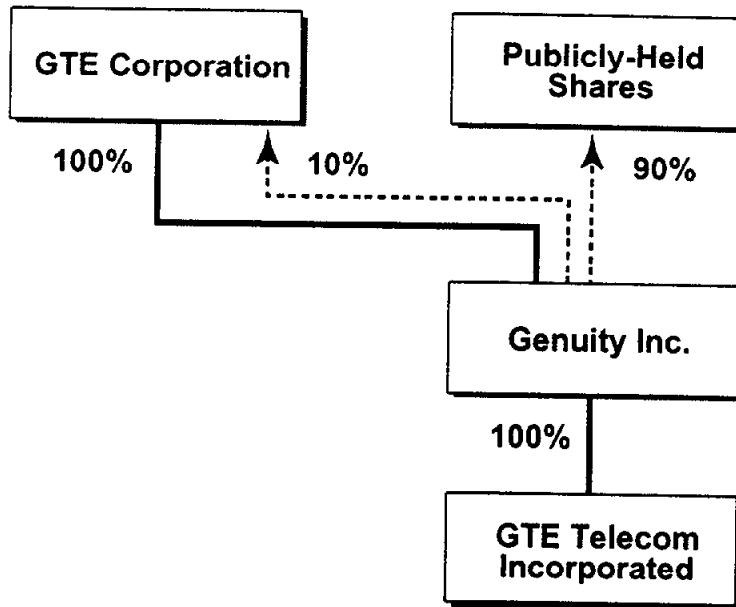
Dated: April 28, 2000

EXHIBIT 1
PRO FORMA ASSIGNMENT



Merger of GTE Telecom and its international Section 214 authorizations into GTE Interstate. GTE Interstate is the surviving company but is renamed GTE Telecom.

EXHIBIT 2
TRANSFER OF CONTROL



Transfer of Control of the international Section 214 authorization held by GTE Telecom from GTE Corporation to Genuity, Inc., which will be a publicly-held company pursuant to spin-off Genuity, Inc. from GTE Corporation